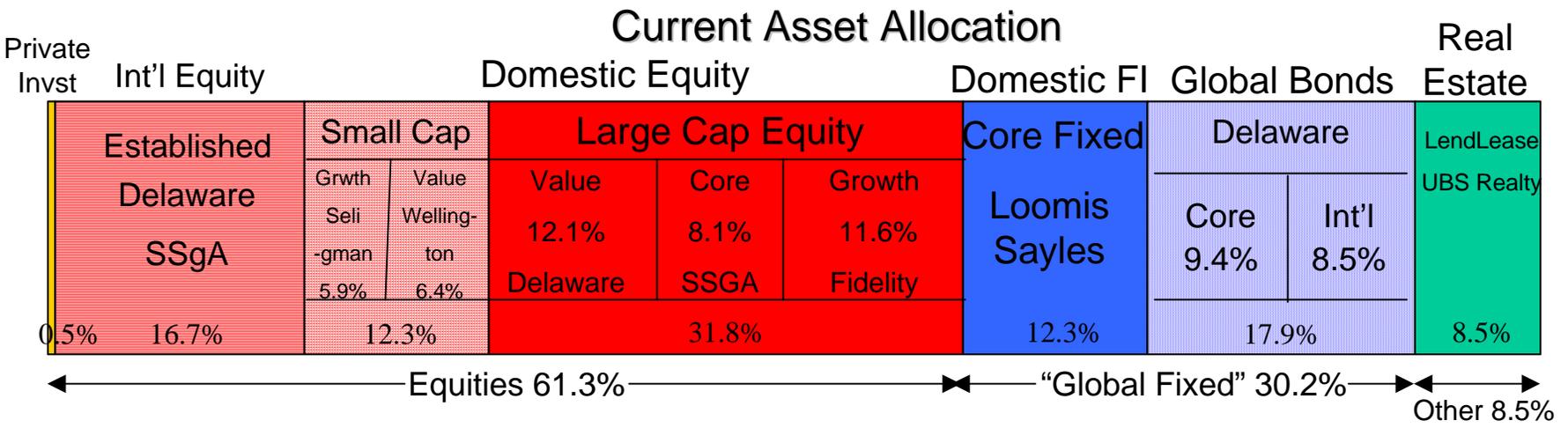
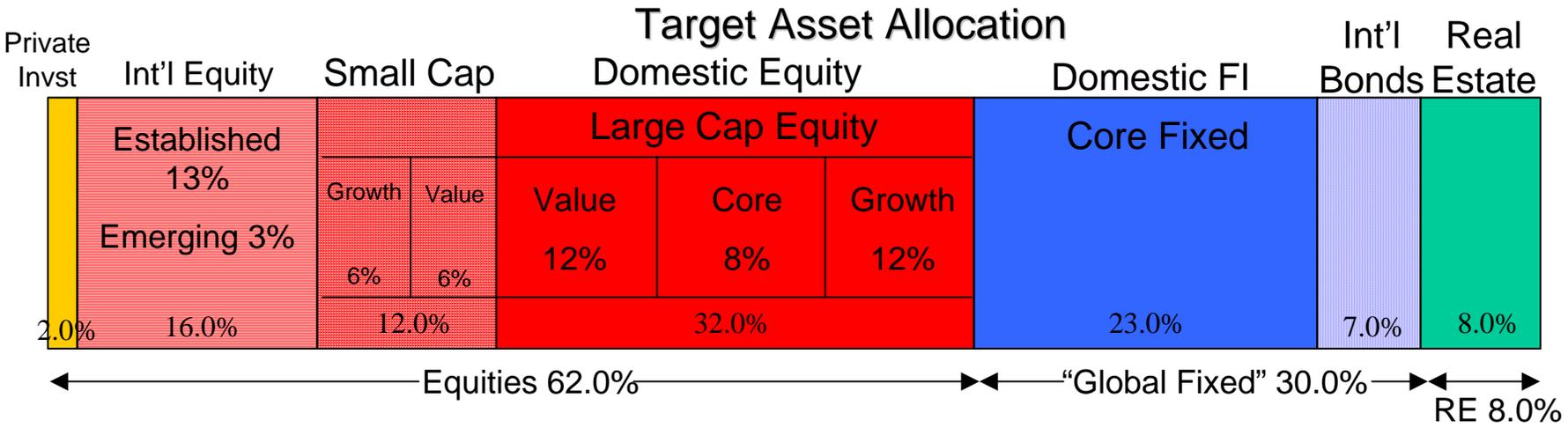


Plan Asset Allocation

As of September 30, 2004

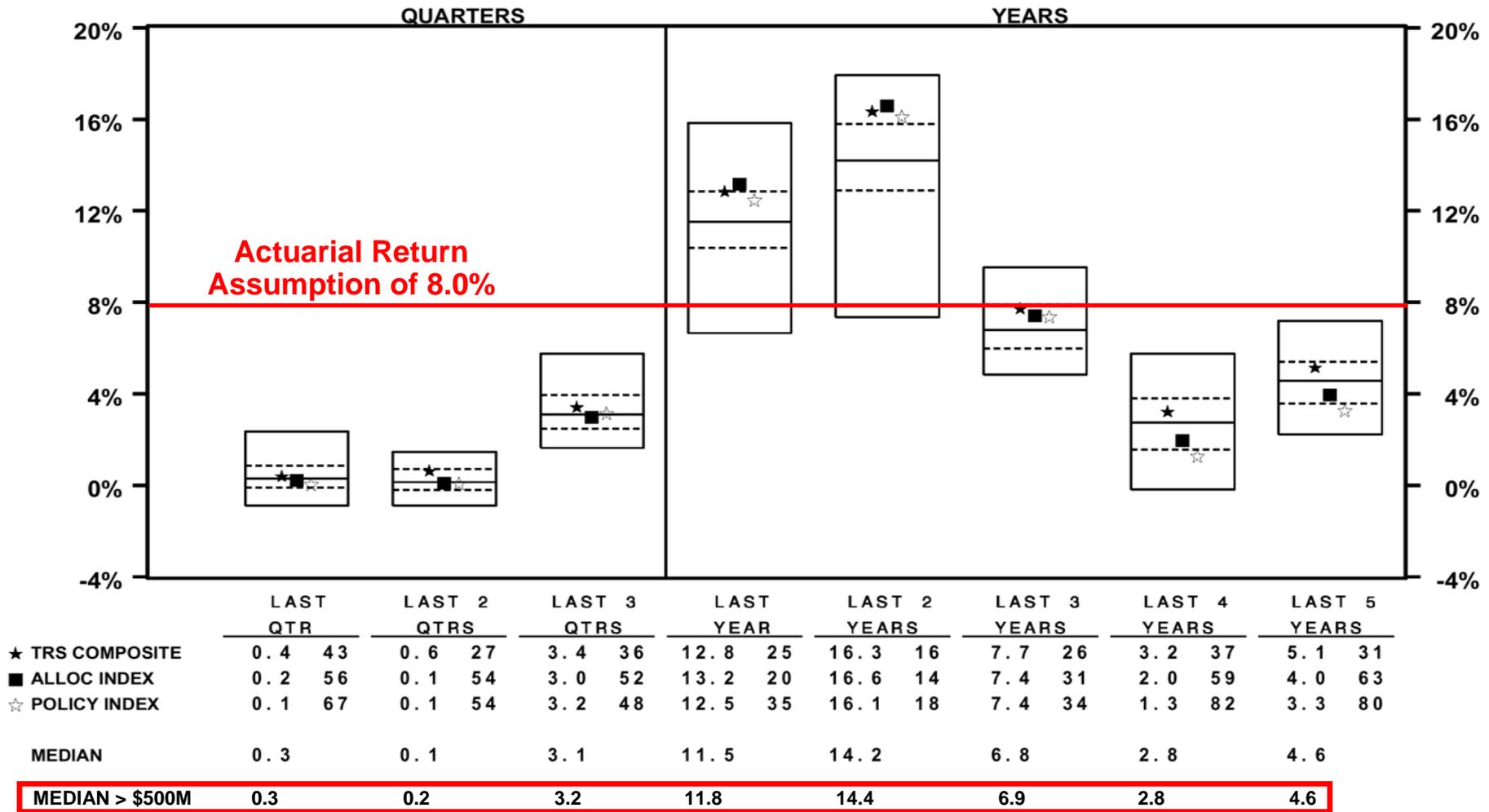


Asset Breakdown

	Domestic Large Core	Domestic Large Value	Domestic Large Growth	Domestic Small Growth	Domestic Small Value	Core Fixed	Int'l Equity	Global Bonds	Real Estate	Private Investment	Cash	Total
Composite	\$100,300	\$148,325	\$143,419	\$72,836	\$76,098	\$147,069	\$203,522	\$214,016	\$104,328	\$6,447	\$18,432	\$1,234,792
SSgA	100,300	0	0	0	0	0	0	0	0	0	80	\$100,380
Delaware	0	148,325	0	0	0	0	0	0	0	0	0	\$148,325
Fidelity	0	0	143,419	0	0	0	0	0	0	0	0	\$143,419
J&W Seligman	0	0	0	72,836	0	0	0	0	0	0	0	\$72,836
Wellington	0	0	0	0	76,098	0	0	0	0	0	3,403	\$79,501
Loomis	0	0	0	0	0	147,064	0	0	0	0	4,340	\$151,404
Mondrian IE	0	0	0	0	0	0	103,247	0	0	0	3,130	\$106,377
Putnam	0	0	0	0	0	0	0	0	0	0	110	\$110
SSgA Daily EAFE	0	0	0	0	0	0	100,275	0	0	0	0	\$100,275
Mondrian GB	0	0	0	0	0	0	0	214,016	0	0	6,908	\$220,924
Morgan Stanley	0	0	0	0	0	0	0	0	62,080	0	0	\$62,080
UBS Realty	0	0	0	0	0	0	0	0	42,248	0	0	\$42,248
Pru & VVC	0	0	0	0	0	0	0	0	0	6,447	0	\$6,447
Vermont Investment	0	0	0	0	0	5	0	0	0	0	461	\$466
(Dollars in 000's)												

Total Public Funds – Total Rates of Return

As of September 30, 2004



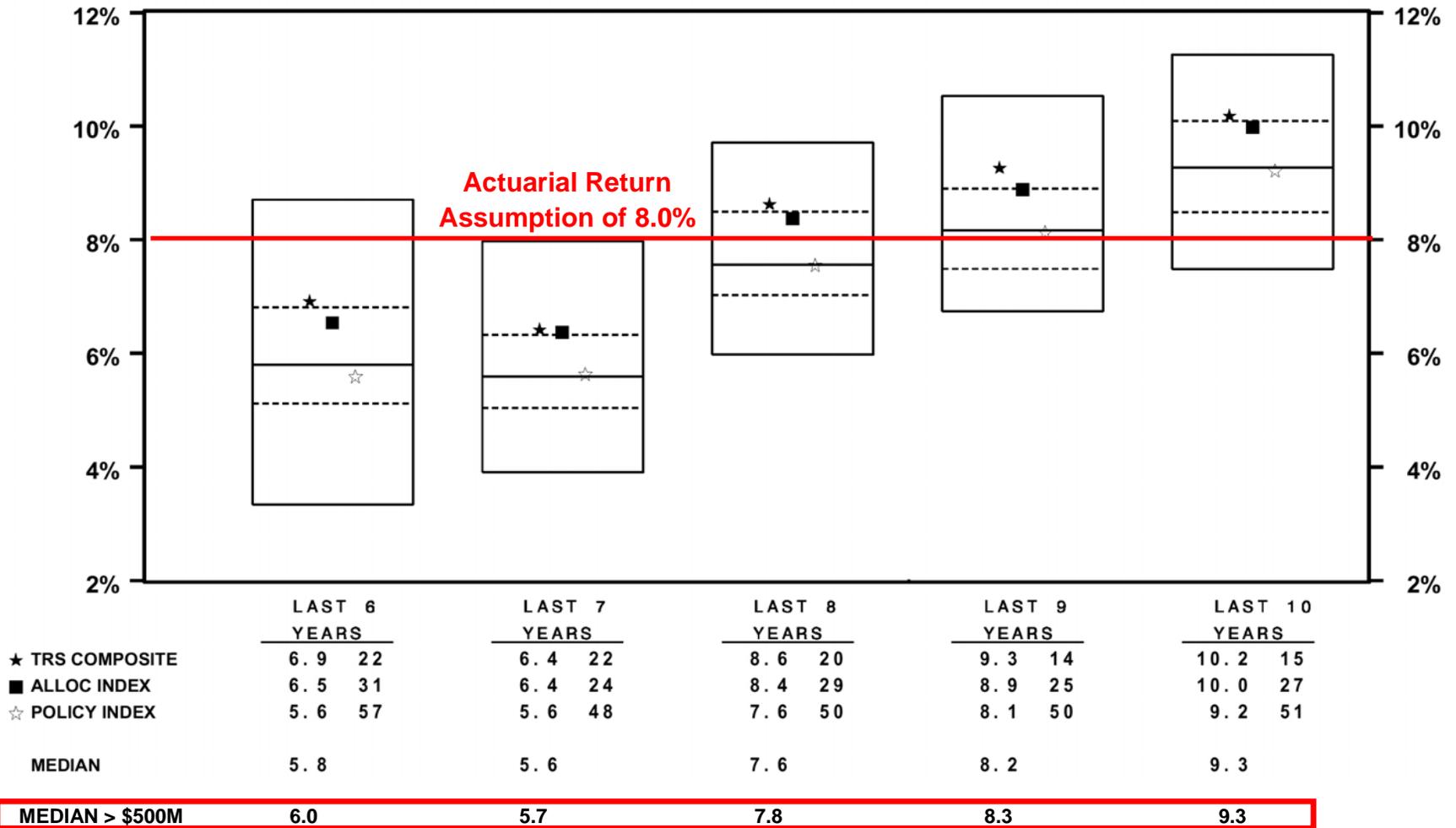
★ *Policy Index*: Measures the effectiveness of *Plan Structure*. (Target asset class weights X Return of the respective passive benchmark)

■ *Allocation Index*: Measures the effectiveness of *deviating from the target policy weights*. (Policy Index - Allocation Index) Allocation Index = weighted average return of the actual asset class weights and the return of the respective passive benchmark.

☆ *Composite*: Actual composite return = actual asset class weights times the actual manager return. Measures the *effectiveness of the managers*. (Actual composite return - Allocation Index)

Total Public Funds – Total Rates of Return

As of September 30, 2004



• *Policy Index*: Measures the effectiveness of *Plan Structure*. (Target asset class weights X Return of the respective passive benchmark)

• *Allocation Index*: Measures the effectiveness of *deviating from the target policy weights*. (Policy Index - Allocation Index) Allocation Index = weighted average return of the actual asset class weights and the return of the respective passive benchmark.

• *Composite*: Actual composite return = actual asset class weights times the actual manager return. Measures the *effectiveness of the managers*. (Actual composite return - Allocation Index)

Performance Detail (as of 9/30/04)

	3Q04	Public Rank	Large Rank	YTD	Public Rank	Large Rank	Last Year	Public Rank	Large Rank	Last 3 Years	Public Rank	Large Rank	Last 5 Years	Public Rank	Large Rank	Market Value	% of Total Portfolio	Annual Fee
Teachers Composite GROSS	0.4%	43	48	3.4%	36	51	12.8%	25	40	7.7%	26	41	5.1%	31	37	\$1,234,792,462	100.0%	0.4%
Teachers Composite (NET)	0.4%			3.4%			12.8%			7.7%			N/A					
Median Public Fund	0.3%			3.1%			11.5%			6.8%			4.6%					
Median Public Fund >\$500M	0.3%			3.2%			11.8%			6.9%			4.6%					
Median Large Fund	0.4%			3.4%			12.4%			7.2%			4.5%					
Allocation Index	0.2%			3.0%			13.2%			7.4%			4.0%					
Policy Index	0.1%			3.2%			12.5%			7.4%			3.3%					
Large Cap Equity																		
Total Large Cap Equity																\$392,123,765	31.8%	
Delaware	(1.2%)	79		2.5%	82		15.7%	83		7.5%	48		5.1%	57		\$148,324,849	12.0%	0.42%
Russell 1000 Value	1.5%			5.5%			20.5%			7.6%			4.3%					
Fidelity	(4.5%)	62		(1.9%)	73		8.0%	64		2.2%	56		(3.1%)	56		\$143,418,786	11.6%	0.47%
Russell 1000 Growth	(5.2%)			(2.6%)			7.5%			1.6%			(6.8%)					
SSGA	(1.8%)	41		1.6%	44		13.8%	68		4.0%	66		N/A			\$100,380,130	8.1%	0.04%
S&P 500	(1.9%)			1.5%			13.9%			4.1%			(1.3%)					
Small Cap Equity																		
Total Small Cap Equity																\$152,336,509	12.4%	
J&W Seligman	(5.5%)	54		(0.1%)	47		15.2%	34		7.2%	66		2.5%	72		\$72,835,558	5.9%	0.50%
Russell 2000	(2.9%)			3.7%			18.8%			13.7%			7.4%					
Russell 2000 Growth	(6.0%)			(0.7%)			11.9%			9.1%			(0.7%)					
Wellington	0.3%	36		7.5%	72		N/A			N/A			N/A			\$79,500,951	6.4%	0.79%
Russell 2000	(2.9%)			3.7%			18.8%			13.7%			7.4%					
Russell 2000 Value	0.1%			8.0%			25.7%			17.7%			14.7%					
Int'l Equity																		
Total Int'l Equity																\$206,762,696	16.7%	
Mondrian	2.9%	6		7.4%	18		27.6%	9		15.7%	11		7.4%	19		\$106,377,096	8.6%	0.42%
SSgA DAILY EAFE	(0.2%)	64		4.4%	63		N/A			N/A			N/A			\$100,275,304	8.1%	0.10%
Putnam	N/A			N/A			N/A			N/A			N/A			\$110,296	0.0%	0.60%
EAFE (After Taxes)	(0.3%)			4.3%			22.1%			9.1%			(0.8%)					
CITI EPAC	(0.0%)			4.2%			21.9%			9.3%			(0.4%)					



Note: Results for periods longer than one year are annualized
There may be a slight or no dispersion between Gross-of-fee and Net-of-fee returns. This is due to management fee's being paid from an account not included in the plan.

Managers are ranked against respective style universe.



Fixed Income Performance Detail (as of 9/30/04)

	3Q04	Public Rank	Large Rank	YTD	Public Rank	Large Rank	Last Year	Public Rank	Large Rank	Last 3 Years	Public Rank	Large Rank	Last 5 Years	Public Rank	Large Rank	Market Value	% of Total Portfolio	Annual Fee
Core Fixed																		
Total Core Fixed Income																\$151,404,359	12.3%	
Loomis Sayles	3.1%	61		3.6%	40		4.5%	28		5.4%	77		7.2%	80		\$151,404,359	12.3%	0.16%
Lehman Aggregate Bond	3.2%			3.4%			3.7%			5.9%			7.5%					
Lehman U.S. Credit	4.2%			3.9%			4.4%			7.7%			8.4%					
Global Bonds																		
Total Global Bonds																\$220,923,958	17.9%	
Mondrian	3.9%	33		3.3%	27		7.4%	52		10.6%	58		8.7%	37		\$220,923,958	17.9%	0.33%
CITI WGBI	3.3%			1.7%			7.0%			10.6%			6.7%					
Delaware Custom Index*	3.2%			2.6%			5.5%			7.8%			7.2%					
Real Estate																		
Total Real Estate																\$104,327,734	8.4%	
Morgan Stanley	4.0%	31		11.9%	29		15.8%	32		8.9%	37		9.4%	45		\$62,079,967	5.0%	0.90%
UBS Realty	4.0%	32		10.0%	39		12.7%	39		9.4%	32		10.2%	30		\$42,247,767	3.4%	0.90%
NCREIF Property Index	3.4%			8.5%			10.6%			7.2%			8.8%					
Private Investment																		
Total Private Investment																\$6,447,447	0.5%	
Pru & VVC	(2.0%)			(8.8%)			(5.9%)			(2.8%)			(0.5%)			\$6,447,447	0.5%	0.25%
Cash																		
Vermont Cash	2.3%			2.9%			3.2%			1.7%			4.2%			\$465,994	0.0%	
90 Day U.S. T-Bills	0.4%			0.8%			1.1%			1.5%			3.1%					

Note: Results for periods longer than one year are annualized

There may be a slight or no dispersion between Gross-of-fee and Net-of-fee returns. This is due to management fee's being paid from an account not included in the plan.

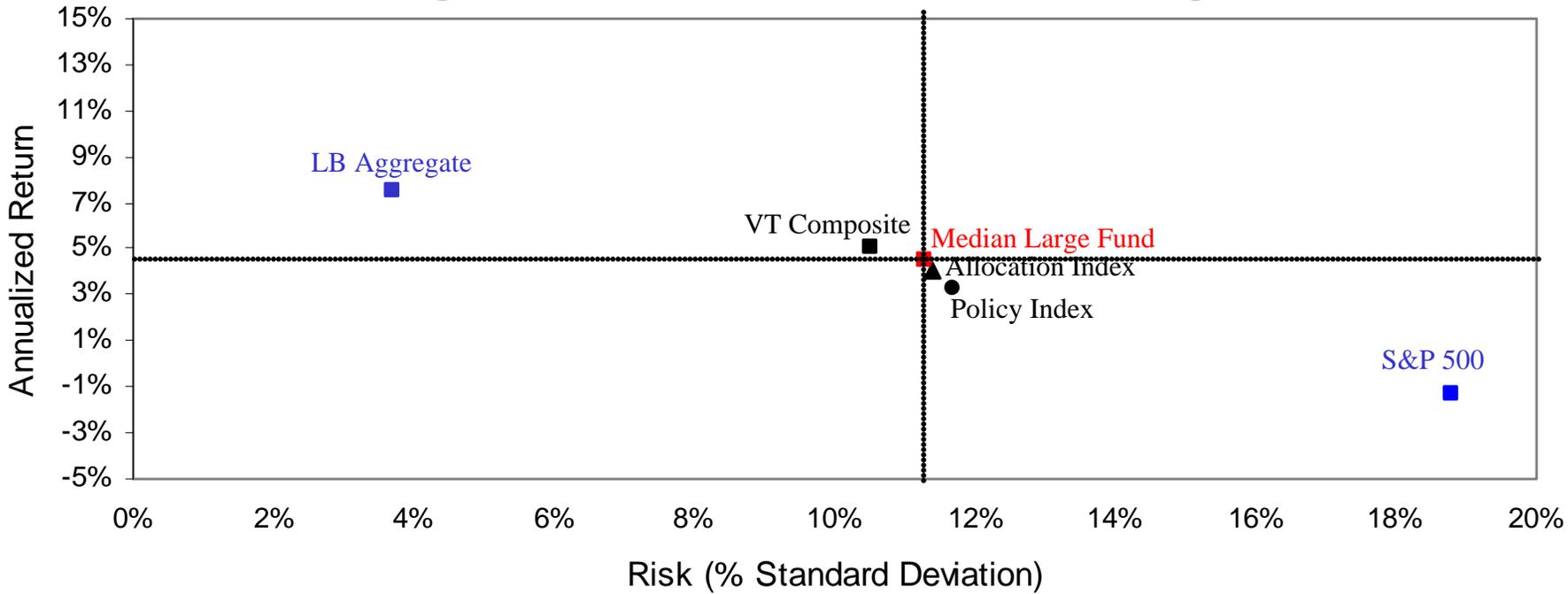


Managers are ranked against respective style universe.

* 60% Lehman Aggregate / 40% CITI WGBI Ex U.S. In place since 07/2003. Prior to that, the split was 75% Lehman Aggregate / 25% CITI WGBI Ex U.S.

Total Fund Risk / Return Analysis

Total Large Funds – Total Return vs. Risk - 5 Years Ending 9/30/04



	Annualized Return		Standard Deviation	
	Value	Rank	Value	Rank
Composite	5.1	37	10.5	74
Allocation Index	4.0	64	11.4	47
Policy Index	3.3	79	11.7	37
S&P 500	-1.3		18.8	
LB Aggregate	7.5		3.7	
Median Large Fund	4.5		11.3	

